

PEOPLE: BO...

April 1981

BATHUR — PARIS: Tuesday, cloudy with showers. (12-43). CHAMBERLAIN: Moderate to rough. Rome: Tuesday, 24 (12-43). NEW YORK: Tuesday, cloudy. (12-38).

INTERNATIONAL Herald Tribune

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PARIS, TUESDAY, MARCH 3, 1981

Established 1887

U.K. Laborites Quit Party, Plan Centrist Grouping

By Maureen Johnson
LONDON — Twelve members of the House of Commons and nine of the House of Lords quit the opposition Labor Party on Monday and announced plans to form a Social Democratic party within the party.

The group said that a vote to strip members of Parliament of the power to be party leader — the prime minister, if the party holds the office — was the last straw for them in a string of left-wing moves by the party.

The group includes 12 members of the House of Commons and nine of the House of Lords. The group includes former Secretary of State for Foreign Affairs, Lord Carrington, and former Secretary of State for the Environment, Lord Cullen.

Other countries... The government will give Britain, for the first time, a party similar to the one in West European countries. The group will seek to bring the middle ground between the Conservatives and the Labour Party.

Messages of Support... The former ministers set up a committee for Social Democracy. The group will have 25 members in the House of Commons and 11 in the House of Lords.

...to Mr. Foot, the nine... The group will have 25 members in the House of Commons and 11 in the House of Lords.

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David A. Owen

Prisoners in Ulster Halt 'Dirty Protest'

UNITED PRESS INTERNATIONAL
BELFAST — More than 400 Irish Republican inmates at the Maze Prison ended their three-year "dirty protest" Monday in order to draw public attention to a hunger strike by their leader, Bobby Sands, and bolster their image in the United States.



Bobby Sands

IRA, but only agreed to general prison reforms that proved impossible to implement immediately because the IRA inmates refused to obey jail rules during the transition.

...U.S. Decides to Sell Morocco M-60 Tanks... WASHINGTON — The Pentagon officials disclosed Monday that it plans to sell 108 advanced M-60 tanks to Morocco, a move that could irritate Algeria.

...Civil War's End Leaves Odd Stillness in Chad... Skeletons Show Past; Rumors Point to Future

...growing in neat rows above the bank. Out in the middle of the slough, a crane lifts a foot gingerly from the water and puts it down carefully.

...Libyan troops came to fight on behalf of Chad's president, Goukouni Oueddei, who apparently had seen that his days were numbered unless he received help quickly.

Giscard Will Seek New 7-Year Term

President Says France Will Suffer If His Leftist Opponents Triumph

By Jonathan Kandell
INTERNATIONAL HERALD TRIBUNE
PARIS — President Valéry Giscard d'Estaing of France announced Monday night that he would seek a second seven-year term, and warned that a victory by his leftist opponents would lead to "political and economic decadence" in the country.

Although his re-election effort had long been expected, Mr. Giscard d'Estaing had postponed his announcement to benefit as long as possible from his status as a president above the partisan politics of a candidate.

The three other major candidates for the Socialist, Georges Marchais for the Communists, and Jacques Chirac for the neo-Gaullists — have been campaigning for weeks or even months for the two-round presidential election on April 26 and May 10.

...Poles Set Strict Plan For Meat Rationing... WARSZAWA — The government warned Monday that food shortages were getting more severe, and laid out a complicated and austere plan for three months of meat rationing on such a scale since the dark days of World War II.

...U.S. Assured of End to Arms Shipments Through Nicaragua to Salvador Rebels... WASHINGTON — The United States has received "certain assurances" from Nicaragua that it will stop shipments of arms through its territory to leftist guerrillas in El Salvador.

...Civil War's End Leaves Odd Stillness in Chad... Skeletons Show Past; Rumors Point to Future

...are like that, used to moving to pockets of safety. They are thin as bones, sharp-boned and keen-eyed, with soft voices that are almost inaudible in the steady rush of the wind.

...There are few people to be seen. Here and there a soldier sits, his chair tilted against the pocked wall of a government building, dozing, with his Soviet-made Kalashnikov rifle to his lap.



Valéry Giscard d'Estaing

U.S. May Delay Planned SALT Review Talks

By Bernard Gwertzman
NEW YORK TIMES SERVICE
WASHINGTON — The Reagan administration is reported close to a decision to postpone a regularly scheduled meeting with the Soviet Union that deals with questions of compliance with previous strategic arms limitation agreements.

Administration officials said Sunday that the session of the Standing Consultative Commission set for March 25 in Geneva would probably be delayed for a month or two to allow the United States time to work out its future policies on strategic arms questions and to fill key staff positions.

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...There is one meeting place left in N'jamena. It is the Hotel Chadian, located on one of the city's main streets. It has six floors of rooms and perhaps half of them are occupied, even though there is no water in the hotel and problems of sanitation have become oppressive.

...In addition to Chadian officials, Libyans also stay there — walking around in groups, surveying the premises quietly, staring at the broken-down lobby furniture and the dangling light fixtures as if they were potential buyers.

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...INSIDE Battleships... The Reagan administration plans to request funds to reauthorize two World War II battleships, and possibly two more later, when it submits a new military budget totaling nearly \$223 billion to Congress.

Gulf War Assailed By Iraqi Communist At Moscow Congress

By Kevin Klose
Washington Post Service

MOSCOW — The Iraqi Communist Party has called its country's "war against Iran a 'nauseous military adventure' and bitterly assailed President Saddam Hussein in a new reflection of the deteriorating relations between the Soviet Union and its former close ally.

The Iraqi Communist Party leader, Aziz Muhammad, in a speech here Saturday that was printed Monday by Pravda, declared that Iraq should withdraw from Iran.

"Thousands of sons of our fatherland are dying in the war, the economy and major industrial projects that our people's labor has created over the decades are being destroyed, and living conditions of the broad masses of the people are getting worse," Mr. Muhammad said.

Central Committee Election
MOSCOW (Reuters) — The 26th Soviet Communist Party congress went into closed session Monday to elect a new policy-making Central Committee after voting unanimously to approve economic plans for the next five years.

Most of the posts in the Central Committee are, in effect, held ex-officio by members in senior party, government and military positions. If the session follows the pattern of the past week, there will be no dissent from the list of names prepared in advance by the party leadership for the approval of the 5,000 delegates.

Without naming him directly, Mr. Muhammad accused Mr. Hussein's regime of launching a "campaign of the cruelest repressions and persecutions" against Iraqi Communists, as well as "against democratic forces of the country and against the Kurdish people."

Iran forces have been supplied largely with Soviet arms in the six-month war with Iraq, but Moscow, officially neutral, has twice turned down requests from Mr. Hussein's special envoy, Tariq Aziz, for more military aid.



CAPTURED SHELLS — A Khmer Rouge guerrilla in Cambodia stands near Vietnamese mortar rounds that originally belonged to the U.S. Army. The arms were part of a cache that rebels discovered recently near the Thai border.

Giscard Enters Campaign

(Continued from Page 1) of state elsewhere in Western Europe or in the United States. No major legislation can pass the Parliament without his approval. He can appoint and dismiss the prime minister. He monopolizes foreign policy.

Mr. Giscard d'Estaing is no different from his predecessors in these respects. But as the election nears, charges have surfaced in the press that the Elysee Palace has used its power to influence court handling cases with important political implications.

Foreign policy generally carries little weight with the French electorate, but a series of incidents have given Mr. Giscard d'Estaing an image of being "accident-prone," in the words of one of his aides.

The considerable sympathy for the French-backed coup that deposed the Central African emperor, Jean-Bedel Bokassa, quickly dissipated following charges that he had made considerable gifts to Mr. Giscard d'Estaing and his family.

Libya embarrassed the French government by invading Chad after French forces proved powerless to stop a civil war there. And Mr. Giscard d'Estaing's claim to a special relationship with the East has been shaken by the fall of his close friend, former Premier Edward Gierek of Poland, and by the way in which the Soviet Union apparently misled the French president into believing that a withdrawal of its troops from Afghanistan was imminent.

Some political commentators have suggested that the lengthy term of the presidency has become a stumbling block for Mr. Giscard d'Estaing's re-election. The French became impatient with a national hero like De Gaulle after he had been in power for a decade and almost brought down his government during the May, 1968, demonstrations.

Spanish Prosecutor Starts Interrogation Of Accused Officers

By Fenton Wheeler
The Associated Press

MADRID — A special prosecutor began taking testimony Monday from more than 260 rightist military men accused of plotting last week's aborted attempt to overthrow Spain's civilian government.

The investigation by the special prosecutor, Air Force Brig. Gen. Jose Maria Garcia Escudero, got under way as Western diplomats and pro-government military sources warned that rightist military leaders may be plotting a second attempt to seize power.

Barcelona (Reuters) — A previously unknown group claims to have kidnapped Enrique Caceres, a Spanish World Cup soccer player, to prevent his club from winning the league, police sources said Monday.

12 in Southern Lebanon Killed in Israeli Air Raid

From Agency Dispatches

BEIRUT — Israeli planes attacked several Palestinian guerrilla targets in southern Lebanon on Monday, according to news from Sidon said that at least 12 persons were killed and more than 30 wounded.

Palestinian guerrillas struck back within hours by firing rockets at the northern Israeli town of Kiryat Shmona, the Israeli military command said.

The air raid was part of Israel's policy of pre-emptive strikes against the guerrillas, the Israeli military command said. But the command said that the Palestinians retaliated with a 20-minute barrage of Soviet-made rockets against Kiryat Shmona. A spokesman said that there were several casualties, but gave no details.

Book Says Castro Downed U-2 Former Aide Writes of Incident in '62 Missile Crisis

The Associated Press

NEW YORK — A soon-to-be published book by a former Cuban newspaper editor and aide to Fidel Castro contends that the Cuban president "pressed the button" on a Soviet surface-to-air missile console in Cuba and shot down an American U-2 spy plane flying over the island during the 1962 missile crisis.

WORLD NEWS BRIEFS

Egypt Defense Chief, 13 Others Die in Crash

CAIRO — Gen. Ahmed Badawi, 53, the Egyptian defense minister in a war hero, was killed Monday along with 13 ranking military officers when the helicopter in which they were riding crashed while taking off from the Egyptian western desert, authorities said.

Egyptian television interrupted broadcasting to announce the death which took place at a military base at an oasis in northwestern Egypt. The state-run television immediately began broadcasting highlights of the commander's life, including his leadership of Egypt's 3d Army which fought Israeli forces in the Sinai desert during the 1973 war.

Gen. Badawi was a 1948 graduate of Egypt's military academy and served in all four wars between Egypt and Israel. He rose through ranks to become a confidant of President Anwar Sadat. He became defense minister in May, 1980.

Lawyers, Doctors, Teachers Strike in Pakistan

LAHORE, Pakistan — Strikes were launched Monday by thousands of Pakistani lawyers protesting President Mohammad Zia-ul-Haq's new law and by teachers and doctors seeking pay increases.

The hijacker, armed with a grenade and light weapons, set the hijacking in motion as the plane was about to take off from Kandahar. The hijacker forced it to land at the Afghan capital, the spokesman said.

Manila Asks Moscow to Press Hanoi on Talk

MANILA — The Philippines urged the Soviet Union on Monday to persuade Vietnam to participate in an international conference rather than a regional meeting, to settle the Cambodian conflict.

In a statement issued by Foreign Minister Carlos P. Romulo, the Philippines said it "cannot respond favorably" to the Soviet appeal to the Association of Southeast Asian Nations for support of proposals for the Indochinese states for a regional peace conference on Cambodia.

East German Refugee Stages Madrid Protest

MADRID — An East German identified as Falko Vogt, 19, who fled from East Germany by climbing the Berlin Wall, climbed him Monday to an iron gate at the Soviet Embassy here with a banner that read "Freedom for Eastern Europe," police reported.

Police said Mr. Vogt, who was taken to police headquarters for questioning, scattered pamphlets during the 15 minutes he was chained to the side of the embassy. The pamphlets accused East Germany's government of assassinating.

Thatcher Firmly Supports Allied Gulf Force

LONDON — Prime Minister Margaret Thatcher of Britain staunchly defended Monday the eventual creation of a multinational rapid deployment force for the Gulf area, saying that without it the region could not be protected.

But she said that no decision had yet been made on creation of such a force, which would be designed to guard the West's oil supplies.

UN Removes Pretoria From Assembly Debate

UNITED NATIONS, N.Y. — Acting over strong Western objections the UN General Assembly removed South Africa from its debate on South-West Africa (Namibia) on Monday at the demand of black Africa's delegations.

The assembly voted 112 to 22, with six abstentions, to reject the credentials of South Africa in view of its policy of racial discrimination. Immediately after the vote, the South African delegation walked quickly from the assembly hall. The United States opposed the action.

U.S. Expected to Put Off Arms Review With Russia

(Continued from Page 1) however, several of President Reagan's supporters charged the previous administration with deliberately overlooking the alleged violations and pledged to confront the Russians with them.

51 salon de l'auto geneve
5-15 mars 1981

Chaque jour, une voiture a gagner. Tirage au sort quotidien des billets d'entree.

En route vers l'avenir.

كزافيي الاصيل

THE LATE MR. OSKAR A. MEIER

Sincere appreciation of the attendance of so many at the funeral of the late Mr. Oskar A. Meier, together with our grateful thanks for deeply appreciated messages of condolence is hereby expressed by Mr. C. H. Gordon, chairman of the Naftamondial group of companies, together with their management and staff.

26.2.1981.

U.S. May Cut More from Funding for Science Education

Richard D. Lyons
WASHINGTON — Reagan administration sources say further cuts will be made in the amounts of funds invested in education programs of the National Science Foundation — perhaps as much as \$40 million more than the amount already set to be cut in this year's budget.

Reports of further cuts Sunday triggered resentment in the scientific community, with the American Association for the Advancement of Science, D. Allan Bromley of the University of California, protesting to the White House.

Increasingly distressed scientists reported new cuts in scientific education. Dr. Lyons said that the total amount of the foundation is due to \$1.02 billion in this fiscal year and \$1.11 billion in fiscal 1982. The Carter administration had \$81 million for science in this fiscal year, an increase of \$16 million by the administration.

Science Education
\$112 million originally. Science education in the fiscal year was to have been increased by \$47 million, leaving \$159 million for the program. If reports are correct, much of that would be deleted.

Politically sensitive tobacco subsidies, also subject to trimming, according to a Helms R-N-C.

Helms said tobacco "would be willing" to pay more and warehouse-inspection proposed by former President Carter in his 1982 and by President Reagan. Helms indicated that the amount to a half-cent.

U Ministers Postpone Decision on Chad, Sahara

ABUJA, Ethiopia — African ministers Monday agreed to postpone a decision on the status of Chad and the Sahara.

Mr. Kodjo said Monday that the foreign ministers had unanimously supported proposals for an intensified guerrilla war in South-West Africa (Namibia) and mandatory economic sanctions against South Africa to persuade it to negotiate on Namibian independence.

The action Saturday was seen as a compromise to placate the party's restive left wing, which wanted immediate nuclear disarmament.

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BEACH CRAFT — When this twin-engine Beechcraft began to lose power over Miami Beach, the pilot had to ditch the plane 150 yards offshore. The three occupants were not injured, and the splash landing provided quite a show for bathers at the Fontainebleau Hotel.

Reagan's \$223-Billion Military Budget Would Recommission 1943 Battleships

By Richard Halloran
WASHINGTON — The Reagan administration plans to request funds to reactivate two World War II battleships and possibly two more later when it submits a new military budget totaling nearly \$223 billion to Congress on Wednesday.

The officials said that funds would be requested to study the feasibility of bringing back into service the Missouri, on which the surrender of Japan was taken, and the Wisconsin. The Missouri is mothballed in Bremerton, the Wisconsin in Philadelphia.

lowa, also originally commissioned in 1943 and brought back during the Korean War. It is in Philadelphia and would cost more — about \$300 million — and take longer to bring back into commission because it has been out longer.

The conversions would include shifting the boilers from heavy bunker oil to more efficient distillate fuel, adding surface-to-surface missiles and Cruise missiles, and installing modern electronics for radars, weapons control, and communications.

The main problem, however, would be manning the ships, each of which would require a complement of 1,600 to 1,800 men. The Navy is already short 20,000 petty officers, the skilled men who drive the ships, operate the machinery, and keep everything in repair.

in 1981, we may have to draw it north of Mexico..."

Sen. Helms said that "drawing the line" does not necessarily mean sending U.S. troops to El Salvador. He said that he supports the concept of a "hemispheric council" to deal with such threats.

Sen. Helms also spoke of setting up an economic blockade against Cuba, or "doing whatever is required" to stem the alleged flow of arms from that Caribbean nation to opposition forces in El Salvador, saying, "We're talking about our backyard."

He said the United States must do whatever is necessary to draw the line against Communist expansion because, when you stop and think about it, if we don't draw the line south of El Salvador

U.S. Ambassador Leaving Post in Italy With Diplomatic Ties Much Improved

By Henry Tanner
New York Times Service
ROME — If there is one message that Richard N. Gardner, the departing U.S. ambassador to Italy, could leave to the Republican administration, it would be: Take the Italians seriously; they are better allies than most.

Mr. Gardner, who left Rome on Friday and is to resume teaching international law at Columbia University next fall, feels that he is leaving Italian-American relations in a much healthier state than when he arrived. Most Italian politicians and journalists would agree with him.

The Socialist Party is steadily becoming more anti-Communist. It has joined other non-Communist parties in a government for the first time in 14 years and is gradually transforming itself into a social democratic party along the lines of Chancellor Helmut Schmidt's group in West Germany.

Change of Attitude
American policies and attitudes are being discussed with respect by Italian newspapers, and there is little predictable anti-Americanism. Even Communists concede that the big embassy on Via Veneto, although still trying to influence Italian politics, is no longer interfering directly.

One of the things that made the Italian decision possible was that Mr. Craxi, whose party had once rejected NATO entirely, was willing to support it.

Italy also went along with the U.S. call for sanctions against Iran even though it had about \$3 billion in contracts in Iran along with 1,800 Italian technicians as potential hostages. The Italian government also supported the boycott of the Moscow Olympics last year, but the Italian Olympic Committee sent its members to Moscow anyway.

When he arrived here in 1977, Mr. Gardner had a dual assignment concerning the Communists. On one hand, he had to carry on with the traditional American policy of helping to keep the Communists out of the government of a major ally. On the other hand, since the Communists were a major power in the country, Washington wanted him to acknowledge their power and to establish contacts for the first time between the embassy and Communist officials to find out what their thinking and intentions were.

Seoul Proclaims Amnesty, Excludes Major Dissidents

SEOUL — President Chun Doo Hwan's government announced an amnesty for 5,221 persons on Monday, but it did not include any prominent dissidents or opposition leaders.

Gen. Chun had said that a broad amnesty would be proclaimed in connection with his inauguration on Tuesday for a seven-year term.

Some of those on the list, the amnesty will mean a release from prison, and some will have their jail sentences shortened. Others will be freed on parole, and some will have their civil rights restored.

Although the official list was not available immediately, sources said that it included the name of Kim Kae Won, the former chief secretary to the late President Park Chung Hee. He was arrested in October, 1979, and accused of involvement in the plot. Under the amnesty, his sentence was commuted from life imprisonment to 20 years, the sources said.

It also affects four foreigners, including a U.S. soldier who is serving a 20-year prison term for murder, government officials said. They said that U.S. Airman 1st Class Stephen A. Bowerman, 23, will have the remainder of the term reduced by half. This would leave the soldier, who was arrested in June, 1977, with eight years and two months of his sentence to serve.

It had not been expected that the amnesty would cover leading opposition figures such as Kim Dae Jung. He was convicted of sedition and sentenced to death by a military court following a nine-day uprising last May in the provincial capital of Kwangju. The sentence was commuted to life imprisonment shortly before Gen. Chun's visit to the United States in January.

The government said that of those granted amnesty, 2,417 would be released from prisons, 646 would have their sentences reduced, 167 would have their civil rights restored and 968 would be paroled. The others were said to be South Koreans living abroad and banned from returning because of dissident activities or violations of passport regulations. The announcement said that they could now return.

Statistics released early last month said that more than 57,000 people were arrested in a "purification" drive that began last summer. There was a widespread roundup of students and political dissidents following anti-government demonstrations last spring, but the number of arrests has never been disclosed officially.

U.S. Ambassador Leaving Post in Italy With Diplomatic Ties Much Improved

By Henry Tanner
New York Times Service
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Helms Expects U.S. Food To Become Policy Lever

WASHINGTON — Sen. Jesse Helms, R-N.C., the chairman of the Senate Agriculture Committee, has predicted that food exports "probably will be our main foreign policy lever" in protecting U.S. interests abroad.

It ought to be used in terms of leverage," Sen. Helms said of U.S. agricultural power in an interview Sunday on NBC television.

"We're entering an era when we're not longer going to be talking about surpluses of agricultural products, we're going to be talking about shortages," an international level, Sen. Helms said. "Surely that is bound to have an impact on how much and to whom and with whom we share the remarkable ability of the American farmers to produce."

Sen. Helms also spoke of setting up an economic blockade against Cuba, or "doing whatever is required" to stem the alleged flow of arms from that Caribbean nation to opposition forces in El Salvador, saying, "We're talking about our backyard."

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Interlocking Economies

Somewhere in the rarefied universe of the international monetary system there is currency nirvana. It is a world of perfect equilibrium in which there are no sharp increases in the price of the dollar that drive the mark downward, or vice versa.

Minister Margaret Thatcher of Britain and Karl Otto Poehl, West German central bank president, have been sympathetic toward President Reagan's declared preference for tight money, which means high interest rates.

Beyond Chrysler

Chrysler's catastrophic financial losses provide a useful reminder to President Reagan that there's more to economic policy than the federal budget.

industrial Northeast and Midwest. Even that figure was based on extremely optimistic projections of future automobile sales.

NATO: On Fixing Its Limits

By C.L. Subberger

PARIS — The first wave of official and unofficial speeches and leaks from the Reagan administration has given some overview of its military and strategic policy.

This is a relatively political version of the military policy passed by Alexander M. Haig Jr., the present secretary of state, under instruction and also in accordance with his own analysis while he served as commander of NATO's forces in Europe.

The Gulf region is far closer to being subject to Soviet threats than ever before. Soviet troops of the Hindu Kush mountains are gradually developing into a huge and potentially aggressive army.

The coalitions facing each other in this Gulf region comprise a mixed geographical and ideological hodgepodge: Cubans, East Germans, Southern Yemenis and Ethiopians are fighting Somalia, Algeria, a band of South African mercenaries and Iran, Mexico, Israel, a schismatic Chad, Communist Laotian armies.

And it is obvious nobody can react or control either world or nation — unless one of the two superpowers steps in forcibly, and the only thing neither wants.

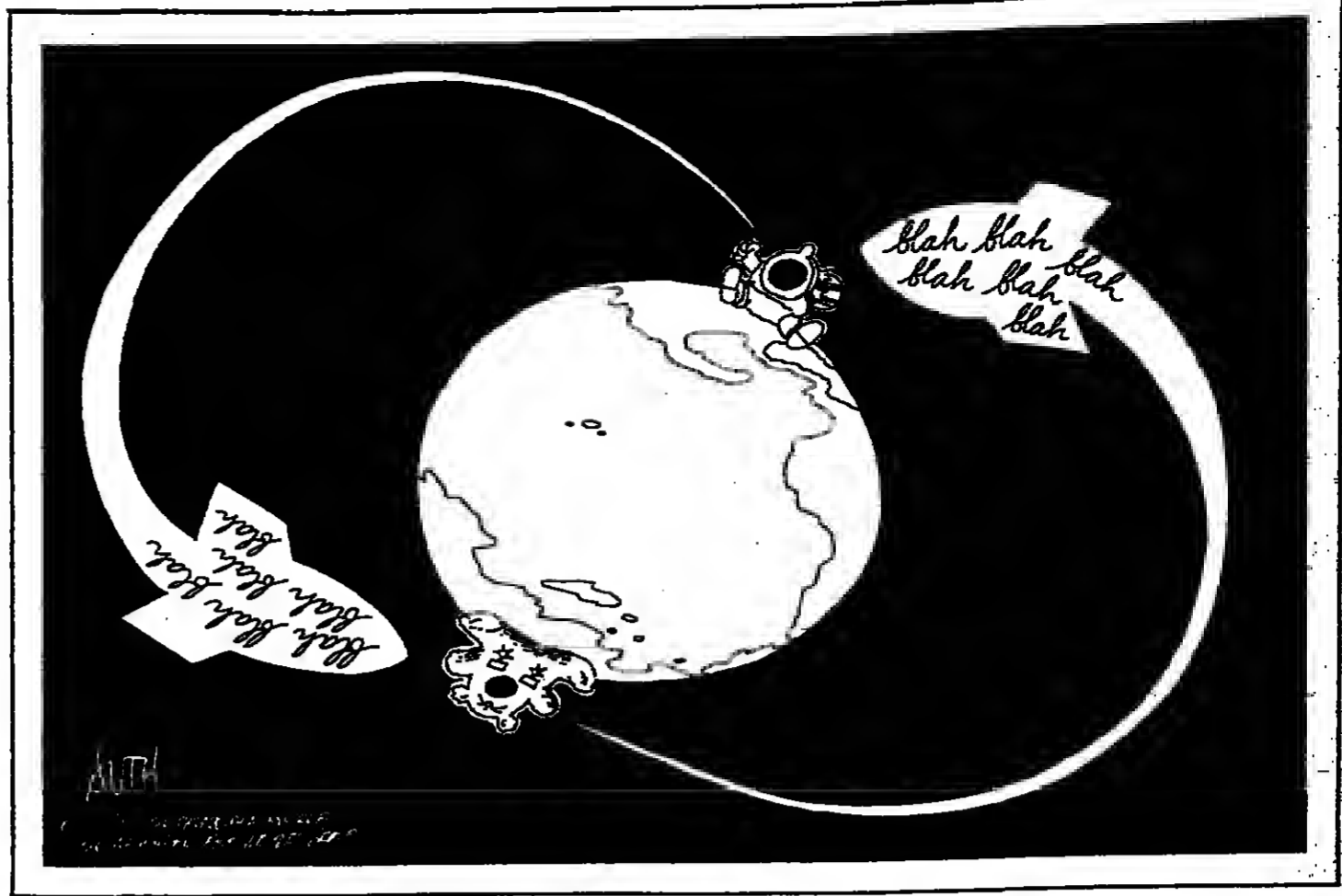
The internal quarrels on both sides of the divide are almost embarrassing as those outside. Saudi Arabians are far from happy at being armed by those who prey on Israel and Egypt. A sun movement is growing among West German politicians to sell out German-made tanks to the Saudis, which they would clearly see as a defeat of the Israelis.

France's confusion is NATO's policy outside the treaty-defined area, he was rebuffed. The result was that, after Washington called to stand by Washington during the 1962 Cuba confrontation, De Gaulle resolved to kick out the alliance.

To hint at the kind of confusion that Mr. Haig may yet have to face, I wrote of an earlier NATO commander in 1959: "At dinner I asked [Gen. Lauris] Nostad if Hawaii wasn't now included in NATO since it has become a state. He was a bit puzzled, then said yes. Air Force Gen. Lawrence Kuter chimed in by pointing out that Hawaii was a part of the state of Hawaii (which I didn't know) so that NATO now extends close to Japan. Gen. Kuter said, 'Come to think of it, it is strange that the headquarters of our Pacific air force is now in the NATO area.'"

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The International Herald Tribune welcomes letters from readers. Short letters have a better chance of being published. All letters are subject to condensation for space reasons. Anonymous letters will not be considered for publication. Writers may request that their letters be signed only with initials but preference will be given to those fully signed and bearing the writer's complete address. The Herald Tribune cannot acknowledge letters sent to the editor.



Keeping Spain's Democracy on the Rails

By Victor de la Serna

MADRID — It didn't take long for the details of the Spanish conspiracy to start surfacing, once the unshaven, haggard deputies had filed out of the Cortes (parliament) building after being held hostage for 18 hours by some 200 rebellious Civil Guardsmen last week.

In quickly selecting a Cabinet of holdover ministers, Mr. Calvo Sotelo seemed to act with the purpose of restoring normalcy and ending the protracted vacuum of power created by the Jan. 29 resignation of his predecessor, Adolfo Suarez.

of the conservative Alianza Popular Party, into the Cabinet. Mr. Luca de Tena, a member of an old family of monarchist publishers and editors, is close to the king.

wishes and aims of the Spanish people. Last Friday, the leaders of the four largest political parties led a demonstration where the only signs were a large Spanish flag and the banner, held by the politicians, which read "For Freedom, Constitution and Democracy."

Mideast Arms Race

By Flora Lewis

WASHINGTON — The sale of F-15 fighter bombers with extended range and bomb racks to Saudi Arabia is moving to completion, and the dangerous implications are being brushed aside with precious little thought for the future.

Now that the United States is pushing the Saudis want the planes, which cost over \$15 million each, but more as a symbol than an important contribution to their defense. The F-15s are, as a U.S. expert put it, superb fighter interceptors, but much cheaper planes do a better job of ground support and pinpoint bombing.

Furthermore, the initial deal would have limited the planes' range to areas far from Israel. With extra fuel tanks and bomb racks added to be endorsed by the Senate at administration request, they become a threat to the Israelis that can't be discounted simply by relying on Saudi intentions and ties to the United States.

which would be a terribly sensitive arrangement in terms of U.S. relations with the Arabs and which would desperately increase Israel's dependence for its very existence on Washington's instantaneous good will?

Letters

The announcement by the "moderate" political-military branch of ETA that it was adopting a unilateral cease-fire has been a hopeful development, right after the coup attempt.

Even close advisers to the Saudis are worried and unhappy about what they see as a renewal of U.S. decision-making based on short-term military calculations and the desire to get back petrodollars in return for arms.

So Israel has a new requirement for early warning in order to scramble its fighters before a possible surprise attack wipes them out on the ground.

Special care in tipping off to the Israeli elections is the reason for Secretary of State Alexander M. Haig Jr.'s planned trip to the Middle East next April. Egypt's Anwar Sadat wants to come to Washington soon, and so does Mr. Begin, but that could affect internal Israeli politics.

The Spanish predicament is such that King Juan Carlos, in an address to political party leaders hours after they had been freed, and again in a speech at the Zaragoza Military Academy last Saturday, explicitly called for a lull in partisan bickering and for a unified, national effort to save democracy.

Mr. Arnett criticizes the Marine jury because they seemed to blame Pvt. Garwood for what he did and not why. Lt. William Calley was convicted by the Army for what he did, and not why. At My Lai, he eventually got off cheap. Is Mr. Arnett happy over that?

Why waste our potential in a hopeless effort to counterbalance the Soviet presence around the Gulf? Why not simply let the Russians know that if they cut into the free world's supply of oil we will strangle them where we shall not be at such a strategic disadvantage.

This is sensible short-term diplomacy as far as it goes, but unhappy it is going on the wings of another arms race. It isn't too late to step back and examine the whole package again with a longer perspective in terms of what might really enhance the security of both Saudi Arabia and Israel.

On the one hand, with their comfortable bases on French territory, the ETA terrorists are hard to defeat with police measures alone. Moreover, the Basque Nationalist Party, which controls the autonomous regional government, afflicted by its own conflicting feelings toward ETA and reluctant to step into its role as a party in power after four decades of clandestinity, has been of little practical help.

Adhering to a status-of-forces agreement, the Philippine police turned him over to the Marines for prosecution. His attorney was able to prove that the man had been mentally unfit to join the Marines

when he signed up. The Marine tribunal sent him home and discharged him, a free man. According to Mr. Arnett's argument, justice was done.

Why waste our potential in a hopeless effort to counterbalance the Soviet presence around the Gulf? Why not simply let the Russians know that if they cut into the free world's supply of oil we will strangle them where we shall not be at such a strategic disadvantage.

International Opinion

El Salvador: Signs of Haste

all those of left wing persuasion in El Salvador as tarred with the Communist brush.

The decision of the Reagan administration to make a stand over the question of El Salvador bears signs of haste, and does not seem to have been carefully thought through.

In fact, however, opposition Socialists can exert a moderating influence on the left wing guerrillas (many of whom in any case adhere to an agrarian Socialism quite different from the Soviet model), and in concert with President Duarte would present a powerful reforming force.

As Margaret Thatcher pointed out in Washington, it is for the people of El Salvador to solve their own problems. The West Germans have tried (so far unsuccessfully) to arrange an accommodation between President Duarte and opposition moderate socialists. The tendency in Washington is to regard

The Reagan administration could do worse than to take up this initiative. — From The Times (London).

In the International Edition

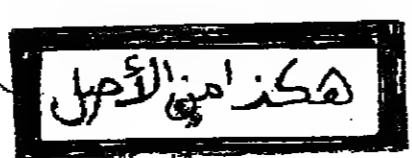
Seventy-Five Years Ago March 3, 1906

Fifty Years Ago March 3, 1931

LONDON — The extraordinary series of demonstrations of women suffragists during the recent general election had its culmination yesterday when, without notice, 11 women raided the prime minister's residence, No. 10 Downing Street.

PARIS — Today's editorial in the Herald reads: "If appetite comes with eating, so does wanderlust increase in urgency with the first experience of interesting travel. It is quite in the logic of events that the visits of Americans to Europe this year should equal and very possibly surpass last year's. The 'average' American of some culture has come to understand how easy it is for him to see something of the Old World and to gain some knowledge of its social as well as its aesthetic charms.

Advertisement for the International Herald Tribune, listing staff members like John Hay Whitney, Katharine Graham, and Arthur Ochs Sulzberger, along with subscription information.



April 14-23



STARY RELIEF — Passengers disembark from an Australian Air Force plane at Richmond Air Force Base near Sydney as part of an airlift of about 7,000 travelers who had been stranded for up to two weeks because of labor disputes in New Zealand and Australia. The Zealand Air Force also provided transport planes. On Monday, the New Zealand government said that an agreement had been reached that appeared to end the strike there.

Observer Staff Angered by Planned Sale

By Elizabeth Bailey
New York Times Service
LONDON — Atlantic Richfield's oldest newspaper, the *Observer*, has unleashed a controversy over the staff nor the 12 members of the board of directors money-losing Sunday newspaper of the sale, and now very angry.

sale of the *Observer* was announced. Their discussion centered on another controversial newspaper sale — that of *The Times* and its sister newspaper to the controversial Mr. Murdoch — and no hint was given that Mr. Anderson had plans to sell the *Observer*.

Three days later, it was announced that Lonrho, the multinational mining and agricultural

equipment conglomerate headed by Roland "Tiny" Rowland, had bought the paper.

Under the agreement, Arco will sell the paper to the George Outram Co., a London subsidiary that publishes *The Glasgow Herald*, in exchange for a 40-percent interest in Outram. The Outram stock is estimated to be worth about \$13.4 million.

Mr. Astor's astonishment is shared by many. "It's a scandal," said an *Observer* staff member of the way in which the deal was handled.

"We're also a bit tired of successive millionaires playing poker with our national newspapers," said Francis Becket, president of the National Union of Journalists.

Mr. Rowland is no stranger to controversy about his unorthodox business dealings. A row about seven years ago over his daring management style led Edward Heath, who was then the prime minister, to label Mr. Rowland "the unacceptable face of capitalism."

Mr. Rowland, 64, seems determined to become a major press lord. He owns newspapers in Kenya as well as those held through Outram in Scotland.

His name has come up in discussions of every sale of a major British newspaper in the past 10 years, including the recent sale of *The Times* and the sale of *The Observer* to Arco in 1976. He was, however, blocked from buying both. "We refused to sell *The Observer* to him when he approached us and we went to Atlantic Richfield. Now Mr. Anderson sells it to him," Mr. Astor said when asked about Lonrho's acquisition. "I feel Mr. Anderson has behaved very badly."

After 56 Years, Evolution vs. Creation Again the Issue as Trial Begins in U.S.

By Philip J. Hilts
Washington Post Service

LOS ANGELES — After 56 years of fitful slumber among the old, passed-over issues, the creation-or-evolution dispute is back: the literal Bible vs. the accumulated judgments of scientists. The modern version of the 1925 Scopes "monkey" trial began Monday in a California state court in Los Angeles.

But this time the entire nation will be able to watch. Cameras have been allowed in the courtroom; the network television news will be there. And although it has been more than five decades since William Jennings Bryan defended the "old-time religion" and Clarence Darrow defied Mr. Bryan's bravado with arguments for Charles Darwin's theory, the California trial in one sense picks up just where the Scopes trial left off in 1925.

Then, John T. Scopes was convicted in Dayton, Tenn., of violating a state law against the teaching of Darwin's theory of evolution. Although he was fined \$100, Mr. Scopes never paid because the conviction was later overturned on a legal technicality. However, the nation's attention was drawn to the case because of the issue and because of the two famous lawyers who opposed one another in the state court.

Mr. Darrow had a distinguished list of scientists and scholars writing to testify; he was ready to argue about religious freedom and science, but the judge refused to let any of the experts speak, and let one of the constitutional issues be argued.

"Trial of the Century" Now, another generation of scientific and scholarly witnesses is ready to testify. The attorneys for both sides this time are ready to discuss science and religion — to debate whether religious freedom requires that public schools must teach, or at least not contradict, the biblical story of creation, taken literally.

The excited plaintiffs in the California trial are seeing their case large: "I am told this could be the trial of the century," said Kelly Segraves, the chief plaintiff, whose children have been taught science in a way he finds offensive. "The

outcome will affect the way science is taught in every state in the country."

Mr. Segraves, a 37-year-old publisher of religious books, sued the California State Board of Education in 1979 on behalf of his three children, who attend San Diego public schools. He hopes to force the state to rewrite its guidelines for teaching science and to establish the biblical story of creation as one of two or more scientific "theories" that should be given some credence in public school classrooms.

For the plaintiffs, schoolchildren are expected to take the stand to tell what they have been taught in science class; also expected to testify are some expert witnesses not yet named by Richard Turner, the plaintiff's attorney and a former legal aide to Ronald Reagan.

"Evolution of Scientists" "We do not have to prove or disprove evolution or the creation," Mr. Turner said. "We are not asking for equal time or any time. We are just saying, 'Don't tell my child's kids, in the classroom, that their religious beliefs are wrong.' We are not trying to sneak the Bible into the public schools. We just don't want them to say that evolution is the only theory. That amounts to the exaltation of scientists into the God posture."

For the state, more than a dozen eminent scientists and religious scholars are ready to testify, including astronomer Carl Sagan and Nobel Prize laureate Arthur Kornberg.

"I'm not going to prove that evolution is a fact," said Robert Tyler, who will argue the state's

case, "just that there are no scientific alternatives." Creationism is taught in social studies in the California schools, not in science.

Science is still on the defensive, as it was in 1925, but this time the state and science are partners in the case, while fundamentalist Christians are fighting established practice.

Evolution's Comeback The turnaround for fundamentalists has been a long time coming since one documented effect of the Scopes trial was to wipe out the teaching of evolution in science texts for more than 30 years. It was only beginning in about 1963 that evolution began to reappear in textbooks in a major way.

Bills demanding that biblical creation be taught in public schools have recently been argued in 15 states. South Dakota, Wisconsin and Missouri now provide instruction on creation as part of public school biology. Iowa and Texas have adopted policies that evolution may be taught only as one of several possible theories. In some states — including Mississippi, Georgia, Idaho and Indiana — groups offering the biblical creation as a literal event have gotten their own texts included on the lists of books recommended for approval by local school boards.

Books published by Mr. Segraves' nonprofit firm, the Creation-Science Research Center, have been put on two lists of state-approved science books. His texts do not mention scripture, and refer to God only in such a euphemism as "the designer of life," and present a sudden, all-at-once creation of the universe as a "scientific" theory.

Roberto F. Chiari Is Dead at 75; Was Twice President of Panama

The Associated Press
PANAMA CITY — Former President Roberto F. Chiari, 75, died Sunday, a family spokesman reported.

He was president of Panama twice, in 1949 and from 1960 to

been in Moscow for treatment since December.

Carl H. Nutter
NEWARK, Ohio (UPI) — Carl H. Nutter, 87, a composer and arranger during the Big Band Era, died Friday. Probably the best known of his compositions was "Solitaire," recorded by Tony Bennett.

OBITUARIES

1964. In January, 1964, he temporarily severed relations with the United States because of riots in the Canal Zone in which 22 Panamanians and four Americans were killed.

Alberto Cassino
LONDON (Reuters) — Labor Minister Alberto Cassino of Mozambique has died in Moscow following heart surgery, Maputo radio reported Monday. He had

3 Hanged in Malaysia

The Associated Press
KUALA LUMPUR, Malaysia — Three men were hanged Monday for unlawful possession of firearms and ammunition, bringing to 20 the number of persons executed for firearms convictions under the internal security laws passed in 1975. About 20 others are awaiting execution for similar offenses.

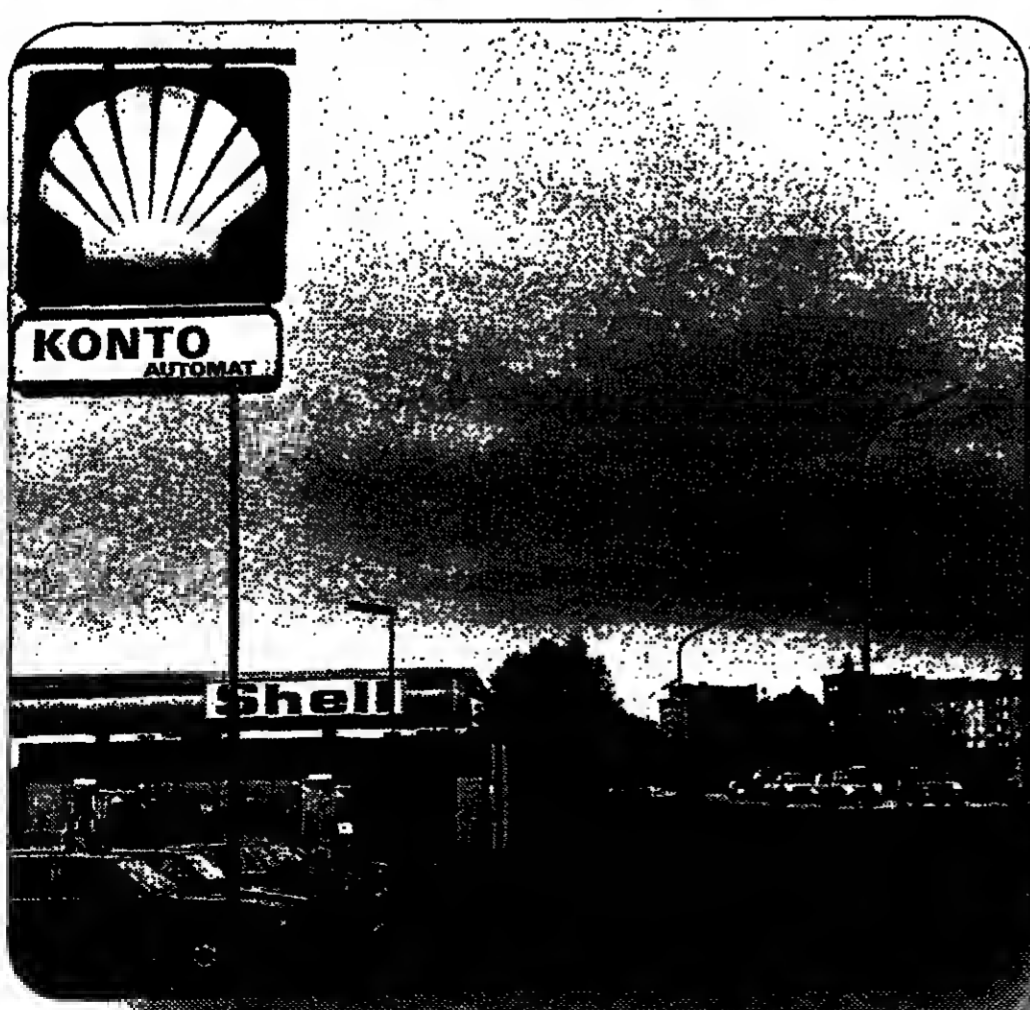
Keeping business going 24 hours a day

'distributed intelligence' network of computers terminals, extending to 100 Shell petrol stations throughout Sweden, will soon enable the motorist to use petrol - on account - twenty-four hours a day. To do so, account-card holders simply enter their into a keypad/card-reader terminal in the pump, their personal code and select the petrol of choice from the three grades on offer. Information the card, along with the amount and grade of

petrol obtained, is then entered into the station's terminal computer. Other account-card purchases: oil, car-accessories, etc. are entered via a keyboard/card terminal in the station shop. Each station terminal computer transmits the daily account-card transactions to Shell's computer centre for further processing and mailing of monthly statements. And the computer centre transmits daily information back to each station on blocked

accounts, overdrafts, lost cards, etc. to protect the network against possible misuse. Shell's aim in implementing an automated account-card network is to give improved customer service at reduced administrative cost. So they based the entire project on the Philips PTS 6000 Terminal System because it is doing just that for commercial organisations the world over. Computerised terminal systems represent only one

aspect of Philips' ability to promote efficiency in business. Being a multi-technology company, we can assist Management to analyse, evaluate and resolve a wide diversity of business problems. Here are some more examples of how we are helping businesses to operate more efficiently.



Business terminal systems. The Sterling Travellers Cheque Division of Thomas Cook, Europe's largest travel organisation, relies on two Philips P7000 distributed data terminal systems to process the complex documentation related to cheque transaction with their many agents; from foreign banks to financial institutions to local travel agencies. The first system, installed in June 1979 and comprising a 50 megabyte disk unit, a 300-line-per-minute printer and 11 terminals; each programmed with Philips 'Vision' software for continuous transaction data entry, was complemented one year later with a second P7000 running in parallel, to cope with an ever-increasing work-load.



Office lighting. Philips new generation fluorescent lamps, the TLD80 series, has improved lighting standards and reduced energy consumption in offices of the Amsterdam Municipal Power Authority. Compared with the so-called economy lamps, the TLD80 series offers more than 90 lumens per watt, an increase of 10 lumens per watt, and a gain in efficiency of 60%. The result? A 50% reduction in energy costs — and a warmer light.



Word processing. Two Philips word processors have been installed in the subscription, promotion and advertising departments at the International Herald Tribune's headquarters in Paris where they are being used for general promotion purposes, target account mailings, personalised mailings and the solicitation and renewal of subscriptions. Philips word processors employ dual disk drive units and flexible disks to provide a high capacity, instantaneous, storage/retrieval medium.

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Theater in Berlin

Workshop Succeeds With Weill, 'Bent'

By Paul Moor
International Herald Tribune
BERLIN — West Berlin's municipal theater ensemble, one of the best in the world, appears in three different theaters: the expansive Schiller, the more intimate Schlosspark, and the tiny Workshop, which concentrates on the experimental and the out of the way.

Three penny Opera, "Happy End" and "Mahagonny," but after he had to flee in 1933 he never returned to Germany — or even, artistically speaking, looked back. Guilt feelings may well motivate postwar German tendency to patronize almost everything Weill composed in the United States.

mann would prove even more effective if she would restrain a tendency to yell.
May they be forgiven the evening's only lapse of taste, a juvenile and unfunny burlesque of one of the most poignantly touching of all theater lyrics, "September Song." Otherwise, tough bouquets all round.

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The Workshop here gives its new Weill evening (incorporating excerpts from at least in the above) a rather cumbersome triple title: "Na also... Goodbye Kurt Weill/Berlin - New York." That first part derives from one of the best "Happy End" songs, which opens the evening.

The Workshop's other big recent success strikes quite a different tone. In this play, unveiled at London's Royal Court not quite two years ago, Martin Sherman undertook the virtually impossible task of depicting Nazi Germany's murderous treatment of male homosexuals.

Parlor Games

'Massage' Business Is Booming in Bangkok Despite Criticism

By Denis D. Gray
The Associated Press
BANGKOK — Three thousand female fingers massaging gently. Customers slipping discreetly out of plush rooms. Cash registers ringing rapidly.

registered in Bangkok, although the number is believed to be higher.
A decree some years ago to stop new ones from being built apparently has been forgotten. In recent months several have opened, including such rivals in size and opulence to the Mona Lisa as the Valentine, Versailles and Dixie.

Young women in Bangkok with the same education as the massage girls — usually just a few years of primary school — are lucky to earn the equivalent of \$100 a month in factories or offices. A massage "star" can make \$1,500 or more, and even the less-than-stellar performers can earn several hundred dollars.

The sex-and-massage trade was officially curbed more than a year ago at Peitau, the hot springs resort outside Taiwan's capital of Taipei.
Primarily in reaction against Japanese businessmen's modern-day "sex tours," officials canceled licenses for the 600 government-inspected call girls who would be summoned to hotels for massages and "extra services." Despite police efforts, however, the business flourishes underground — at higher prices.

On the other hand, Japan's massage parlor business is the world's largest, with about 16 million males having frequented the country's 1,450 "Turkish baths" last year, according to writer Keiichi Hirooka.

Still to come is a sauna and a VIP suite for group entertainment (a lounge-dining area with adjoining massage rooms), and a large reproduction of Leonardo's Mona Lisa, who will smile down on some very down-to-earth happenings: knots of men looking through a glass-enclosed chamber to select one, perhaps more, of a phalanx of ladies posed, preened and prepared to offer a variety of services.

Elsewhere in Asia — the home of a variety of traditional massages, as well as modern sex-oriented ones — the business faces mixed fortunes.
In South Korea, the government banned them for Koreans but allows a few to cater to foreigners at tourist hotels.

Beers syndicate until 1963, when the Russians began using middlemen because of pressure from black Africa to boycott South African enterprises.
One Western report said, the Soviet Union had \$500 million of diamond gem sales in 1977 through a London-based company that deals with the De Beers syndicate.

There are 58 registered parlors in Hong Kong, some hiring Thai, Philippine and Taiwanese women. Most of them are essentially call-girl operations, and clients can invite the girls out for other services. Since no illicit activity takes place inside parlors, the police cannot touch them.

In the Philippines, there are about 190 massage parlors employing about 10,000 people, but the industry is believed to be on the decline. Malaysia and Singapore rank low in the business, and there are no known massage parlors in the Communist-run countries of Asia.

CHANEL BOUTIQUE

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Spring - Summer Collection
CHANEL CREATIONS PARIS

Huge Lode of Diamonds Gives a Sparkle to Icy Siberian Town

By David Minthorn
The Associated Press
MIRNY, U.S.S.R. — Diamonds are so abundant in this remote Siberian town that residents don't even blink when dump trucks rumble by carrying 40-ton payloads of diamond ore.

hauled to Mirny's washing plants for extraction of the diamonds.
The olive-drum trucks travel in a stream from the mines on the eastern side of the city to refineries on the western outskirts. Security escorts are not necessary. Soviet officials say, because no one tampers with the loads.

Beers syndicate until 1963, when the Russians began using middlemen because of pressure from black Africa to boycott South African enterprises.
One Western report said, the Soviet Union had \$500 million of diamond gem sales in 1977 through a London-based company that deals with the De Beers syndicate.

Initially a collection of log huts, Mirny has grown into a thriving city with nine-story apartment blocks and wide avenues built the permanently frozen ground.

Winter lasts eight or nine months, and temperatures often sink to minus 58 degrees Fahrenheit for weeks on end. Temperatures soar to 104 in the summer, and 24-hour sunlight permits townspeople to grow vegetables and fruit.

Mirny engineers rely on highly efficient recovery methods that have boosted the Soviet Union into second place, behind Zaire, in the world's list of diamond producers. South Africa is third in total production, but first in gem-quality stones.

Workers earn an average of 446 rubles (\$640) a month in Mirny, almost three times the average wage in the Soviet Union, he said.
Many come on multi-year contracts for high earnings, but do not settle permanently because of the harsh, subzero climate nine months a year. The average age of Mirny's citizens is 27, testifying to the relatively young and robust population.

Three-quarters of the Soviet diamond production is of industrial-quality stones used domestically for abrasives, cutting tools, conductors and other high-technology components, Western experts said.
Although geologists had long suspected a wealth of diamonds in Siberia because of volcanic formations similar to those in South Africa, the major discovery did not come until 1955.

Initially a collection of log huts, Mirny has grown into a thriving city with nine-story apartment blocks and wide avenues built the permanently frozen ground.

Winter lasts eight or nine months, and temperatures often sink to minus 58 degrees Fahrenheit for weeks on end. Temperatures soar to 104 in the summer, and 24-hour sunlight permits townspeople to grow vegetables and fruit.

On the Arts Agenda

VIENNA — The music of the Viennese composer Alexander Zemlinsky (1871-1942), and in particular his chamber music, is a feature of the March concert program of the Konzerthaus, The La Solla Quartet is performing one of his quartets on each of four programs, the remaining three of which are scheduled for March 4, 16 and 18. On March 9, members of the Haydn Trio with clarinetist John Kufeldt present the trio for piano, cello and clarinet. On March 19, Miodol Teodorovic conducts the Austrian Radio Symphony Orchestra and Chorus, with Karan Armstrong and Siegmund Nimsgern as vocal soloists. In a program that includes Zemlinsky's "Lyric Symphony."

PARIS — The series of 19th-century French operas at the Theatre Moliere de Paris (Chatelet) continues with nine performances from March 4 to 13 of Bizet's "Les Pecheurs de Perles" in the production by Pier Luigi Pizzi from the Teatro Comunale di Bologna. Jerome Kalichman conducts, and the principal roles are being taken by John Beckford as Nadir, Yvonne Kary as Leila, Jean-Philippe Lafont as Zurga and Stanislas Skarzewicz as Nourabad.

PARIS — Pinchas Zukerman will be the conductor and a soloist with the Orchestre de Paris in an all-Haydn program that includes the Symphonies 84 and 87, the Oboe Concerto and the Symphony Concerto for violin, cello, oboe and bassoon. Other soloists for the concert March 5, 6 and 7 of the Theatre des Champs-Elysees are oboist Maurice Benarroch, bassoonist Andre Senechal and called Rhema Fardoul. The Haydn series under Zukerman continues March 12 and 14 with Symphonies 85 and 86 and the Piano Concerto No. 2 with Pascal Roge as soloist. On March 13, Zukerman joins orchestra members in a chamber music program of Beethoven, Mozart and Mendelssohn.

LONDON — The London Festival Ballet's five-week season at the Coliseum from March 3 to April 4 opens with Rudolf Nureyev's production of "Romeo and Juliet," with Patricia Buzzone and Nureyev in the title roles for the first performance. Jack Carter's production of "Coppelia" makes its first appearance of the season on March 16, with Andria Hill, Ben Van Cauwenbergh and Karen Wallis scheduled to dance the first performance. "Giselle" begins March 26, with Elizabeth Tebbutt, Patricia Bari and Mariola Ascarelli in the opening cast.

GENEVA — Jean-Marie Simon is responsible for both the staging and sets of the new production of Verdi's "Otello" that will have its first performance at the Grand Theatre on March 14. Piero Coppoloni sings the title part, with Valerie Masseron as Desdemona.



WHEN YOU MAKE THE FOLKS BACK HOME WANT TO BE IN YOUR SHOES, SAVE SOME DUTCH GUILDERS ON THE CALL.

Who wouldn't want to be in your shoes? Especially when those feet will be taking you to the famous cheese markets, flower auctions, gorgeous canals, windmills, and a Van Gogh or two. So share it all with your family and friends back home. But before you make that call, here are some guilder-saving tips.
SAVE ON SURCHARGES
Many hotels outside the U.S. charge exorbitant surcharge fees on international calls. And sometimes the fees are greater than the cost of the call itself. But if your hotel has TELEPLAN, the way to keep hotel surcharges reasonable, go ahead and call. No Teleplan? Read on!

There are other ways to save money.
SAVE WITH A SHORTIE
In most countries there's no three-minute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back. The surcharge on short calls is low. And you pay for the call-back from the States with dollars, not local currency, when you get your next home or office phone bill.
SAVE THESE OTHER WAYS
Telephone Company credit card and collect calls may be placed in many countries. And where they are, the hotel surcharges on such calls are usually low. Or, you can avoid

surcharges altogether by calling from the post office or from other telephone centers.
SAVE NIGHTS & WEEKENDS
Always check to see whether the country you're in has lower rates at night and on weekends. Usually the savings are considerable.
Now that you've learned to walk on wood, you've saved a little shoe leather. And now that you've learned the calling tips, you'll find it easy to foot the phone bill.



Reach out and touch someone

International Restaurant Guide

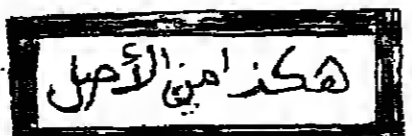
- FRANCE
PARIS - RIGHT BANK
GOLDENBERG JO 7, r. des Rosiers, 278.29.09. Daily, lunch, sandwiches, pastries, salami, salmon, chopped liver, etc. Open till 1 a.m. Air-conditioned.
GRAND ZING LUNCH, dinner, light supper. Fish and shellfish. Reception room, 5 Fig. Montmartre. 770.98.64. Daily.
LE LOUIS XIV R. Bd. St-Denis (104), 208.56.56, 202.19.90. Lunches, dinners, appetizers after midnight, oysters, seafood, shellfish, grill-room. Closed Mon. & Tues.
LA MERE CATHERINE 6, place du Tertre, 606.32.69. (18th). The chef welcomes you till midnight. Traditional cuisine. Varied menu.
MIDISSON DU CIEL 1 rue Ghequelpote (Rue de la Harpe) 272.27.55. Closed Monday. Refined Vietnamese specialties. All credit cards accepted.
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BUSINESS NEWS BRIEFS

Eastern Airlines Planning to Buy 175 Planes

AMI — Eastern Airlines plans to buy about 175 planes at a cost of \$9 billion between now and 1995, a spokesman said Monday.

B Demurs From Barring Airline Takeover

WASHINGTON — The Civil Aeronautics Board dealt a blow Monday to the proposed merger of Continental Airlines and Western Airlines.

France Executive Switches to Peugeot

PARIS — Victor Dial, president director-general of Ford-France since he resigned and joined the Peugeot auto group, effective immediately.

Peugeot Decides Not to Alter Auto Industry

PARIS — The South Korean government said Monday it reversed its decision to restructure its automobile industry by having Hyundai Motor.

Peugeot Axes 3 W. German Chemical Plants

NKURFURT — Lurgi Kohle-und Mineraloeltechnik said Monday it has canceled three chemical plant projects worth 900 million marks.

Peugeot Seeks More Than 50% of Abitibi

OTTAWA — Olympia & York Investments said Monday that it will acquire 50 percent of the company's shares.

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Bonn Frustrated by Economy

Schmidt Chided for Blaming High U.S. Interest Rates

By Bradley Graham Washington Post Service BONN — In a show of irritation with U.S. economic policy, West German Chancellor Helmut Schmidt has twice publicly let slip remarks critical of high U.S. interest rates.

NEWS ANALYSIS

But Mr. Schmidt's comments echoed widespread dissatisfaction in political and business circles here with tight U.S. credit policies.

The attitude toward the Reagan administration's economic program is ambivalent: While they applaud the new president's attack on inflation, West Germans worry that it will add to burdens here and frustrate hopes for a modest economic recovery this year.

The concern is understandable in view of what has happened to the relationship between the dollar and the Deutsche mark since Mr. Reagan's election.

Part of the reason was indeed the pegging of U.S. interest rates at roughly twice West German rates. Because investors could earn higher returns from dollar assets, they sold mark holdings and thus depressed the value of the mark.

Scandal Worries Tokyo Stock Market

By Henry Scott Stokes New York Times Service

TOKYO — Heavy selling of securities on the Tokyo stock market sufficient to dampen a dull market for weeks — the exchange closed up 6 yen Monday at 7,155 yen on the 225-stock Dow Jones index.

Foreign investors overseas appeared to know little or nothing about the bedding scandal, the first of some scale in recent years on the Tokyo market.

After the Feb. 16 arrest of Akira Kato, leader of the informal investors' group, on charges connected with an alleged irregularity in opening an account for a client, the Tokyo market tumbled downward from a Feb. 2 high of 7,322 yen.

The exchange remains close to that historic high, but securities experts say they are worried about the implications of the Seibi affair for the market this year.

As extensively reported by the Japanese press in recent weeks, the outlines of the affair are as follows.

Mr. Kato is a controversial figure on the exchange. His arrest on what appeared to be minor charges was the culmination of a long struggle between the investment adviser and the exchange authorities.

subsidary. The formation of a new subsidiary to handle long-distance services would be another requirement, according to the reports.

"If Charlie Brown had gotten that settlement, he'd deserve to draw his paycheck for a lifetime," said one senior phone industry official in New York last week, referring to AT&T's chairman.

AT&T officials said last week there was one bright side to the company. "Certain financing that had been held up, including a bond issue by Pacific Telephone and financing by Cincinnati Bell, because of uncertainty about their status, may now be able to go forward because there is no pending deal," said Pickard Wagner, an AT&T spokesman.

Herbert N. Jasper, a lobbyist for some of the competitors, and others have cited writings by William F. Baxter, the Stanford University authority on antitrust matters who has been nominated to be the Justice Department's new antitrust chief.

The reports of negotiated details were confirmed by either AT&T or the Justice Department — were that AT&T would be required to give up its ownership of Pacific Telephone & Telegraph and minority holdings in Cincinnati Bell and the Southern New England Telephone Co. and submit to partial divestiture of the Western Electric manufacturing



Chancellor Helmut Schmidt

Gold's Price Drops \$24; Dollar Gains

By Agency Dispatches

LONDON — The price of gold dropped \$24 an ounce on the London and Zurich bullion markets Monday, closing at its lowest levels since December 1979.

The dollar closed at its strongest levels in two weeks on the European money markets and the pound was at its lowest rate since April in London. The dollar continued to strengthen in early dealings in New York.

Gold closed at \$466.50 an ounce in London, down from \$480.50 Friday. In Zurich, it was \$465.50 an ounce against \$483.50.

These were the lowest rates for gold on the two European bullion markets since Dec. 17, 1979 — just before the price rose sharply to as high as \$850 an ounce in January.

Trading was highly nervous, particularly during the morning behind sharply lower Far Eastern prices, a dealer for bullion brokers Johnson Matthey said.

The fresh advance in the dollar and the likelihood of continuing high U.S. interest rates remained the primary influences, the dealer said.

Swiss dealers attributed the drop in gold's price to the rising strength of the dollar, which was caused by rising Eurodollar interest rates.

The U.S. currency finished in London at 2.1500-20 DM, compared with an opening 2.1470-90 DM and Friday's close at 2.1270-1320, while sterling ended at \$2.1800-1810, against \$2.1695-1705 and 2.2040-60, respectively.

Dealers said the Bundesbank was thought to have made modest sales of dollars during the day, while on the domestic market it made several billion marks of liquidity available after Frankfurt call money hit 25 to 30 percent.

Bundesbank President Karl Otto Poehl said in Frankfurt the central bank will provide sufficient liquidity for the West German banking sector and will reopen the special lombard window when necessary.

The market is very small where the general public is concerned," said a veteran Japanese economic reporter.

CURRENCY RATES

Interbank exchange rates for March 2, 1981, excluding bank service charges

Table with columns for currency, rate, and bank. Includes entries for Amsterdam, Brussels, London, New York, Paris, Zurich, etc.

Dollar values: 1.1571 Australian \$, 0.8272 Belgian franc, 1.2233 Canadian \$, etc.

Source: Reuters. (1) 1980 Irish L. (2) Commercial franc. (3) Amounts needed to buy one pound. (*) Units of 100. (x) Units of 1,000.

NYSE Stock Prices

Rise in Slow Trading

NEW YORK — Prices on the New York Stock Exchange overcame early profit taking and worries about the direction of interest rates Monday to close higher in moderate trading, led by oils and airlines.

Analysts attributed the buying to a belief among institutional investors that the market is unlikely to drop much over the near term. They said this view was reinforced when early profit taking failed to draw much of a following despite a gloomy outlook for interest rates.

The Dow Jones industrial average, which rose 41.22 in the previous six sessions, rose 3.41 Monday, closing at 977.99. Volume on the NYSE eased to 47.7 million from 53.21 million Friday. Advances led declines by three to two.

The interest rate outlook was clouded by Friday's money supply report. The report showed continuing growth in the M-1B measure of money supply, which includes negotiable order of withdrawal accounts.

Credit market analysts said the rise in M-1B and tightening of the Federal Reserve's money growth targets would keep upward pressure on interest rates this year. They also said expected increases in loan demand could push rates higher.

Analysts said they did not expect the price on the NYSE could move much higher in that environment but that institutions are likely to continue putting excess cash into undervalued stocks.

Nevertheless, institutions appear to be convinced interest rates will continue to decline. The prime rate, which generally dropped to 19 percent in the past week, was lowered Monday to 18 1/2 percent by Chemical Bank, one of the nation's largest banks.

Central Pennsylvania Bank had lowered its prime to 18 1/2 percent some time ago and several other smaller banks made the move last week.

Observers said big-money managers appear to be more optimistic about inflation, the economy overall and President Reagan.

Mr. Reagan blasted "parochial" opponents of his economic plan, but bowed to the nation's mayors' demand that he preserve the function of the popular Urban Development Action Grants.

Housing Figures: The Commerce Department reported Monday that private residential construction in the United States rose by 4.9 percent in January, the highest monthly increase in nearly a year.

On the NYSE floor, the oils bounced back after being soft in recent sessions. Santa Fe International gained 1 1/2 5/8. Its fourth quarter profit doubled. Standard Oil (Indiana) rose 1/4 to 68 1/2, Exxon 3/4 to 72 1/2 and Mobil 1/2 to 68 1/2.

Among airlines UAL gained one to 2 1/4 and American 3/4 to 12 1/2 both in active trading. A 300,000-share block of American moved at 12 1/2. Delta rose 1/4 to 6 1/2, USAir 3/4 to 20, Trans World 3/4 to 20 1/2 and Northwest 1/4 to 29 1/2. Analysts said airlines stand to benefit from the petroleum glut.

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NYSE Nationwide Trading Closing Prices March 2

Tables include the nationwide prices up to the closing on Wall Street.

Table of stock prices including columns for 12 Month Stock, High, Low, Div., and 5 Yrs. P/E 100. Lists various stocks such as AAP, AAC, AAF, etc.

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Table of stock prices including columns for 12 Month Stock, High, Low, Div., and 5 Yrs. P/E 100. Lists various stocks such as ADE, AEF, AFG, etc.

Advertisement for LONESTAR U.S. #1 in cement, featuring a star logo and text: WE CAN REVITALIZE AMERICA with government encouragement.

Table of stock prices including columns for 12 Month Stock, High, Low, Div., and 5 Yrs. P/E 100. Lists various stocks such as AGI, AGJ, AGK, etc.

مکان العمل

(Continued on Page 10)

April 1981

Bonn Frustrated by Economy British Plan New Market In Futures

Continued from Page 7

inflation is what Mr. Schmidt and other West German officials have advised for months. International confidence in Bonn's leadership has been shaken by the rise of the dollar — the so-called "dollar boom."

Problem for Bonn at the moment is that the domestic economy is unable to sustain the stimulus from U.S. anti-inflation moves.

Combination of expensive imports and intense competition from German products in domestic and foreign markets is expected to lead to a decline of up to 10 percent in West Germany's gross product this year. Unemployment has passed by several thousand the psychological mark of 1 million jobsless.

Small tools for recovery appear little help: Federal aid is constrained by keen sensitivity to Bonn's deficit markets, particularly in the East, do not hold the promise for West Germany that they did during the 1970s, and the bank cannot lower interest rates to encourage business invest-

ment without weakening the mark further. The process that most Bonn officials favor for a recovery goes this way: West Germany's historically low inflation rate — it was still only 5.5 percent in 1980 — and the basic competitiveness of West German industry will, by late this year, spark an upswing in the economy and restore international confidence in the mark.

Painful Adjustments
This seems, in fact, to be the only scenario. Mr. Schmidt's advisers appear to hold no view more imaginative. Yet this one seems to be grounded in nothing more than hope.

In the long run, West Germany's economic health will depend on some fundamental and politically painful adjustments. It will depend on finding energy sources to replace imported oil. And on spurring productivity to keep competitive what is now one of the highest-paid work forces in the industrialized world. And also on Bonn's ability to pay for the extensive network of social supports it has constructed, or alternatively, to do away with some of them.

But the coalition government, beset now by bickering between the Social Democrats and Free

Democrats, is hardly in a position to reach consensus in these controversial areas. Thus, high U.S. interest rates are a convenient target for airing the general distress felt here.

"I think," Mr. Schmidt said in an interview in late February with the French business newspaper *Les Echos*, "that the current interest-rate levels in America and several other lands are destructive. In the long run they are absolutely unacceptable if we want to keep to the aim of full employment."

Earlier he had said in a radio interview: "We still need detailed talks with our American friends on the fact that we here in Europe cannot endure American interest rates remaining at the 20-percent level. That forces us to keep our interest rates at a level inappropriate to our economic and cyclical situation."

The press jumped on Mr. Schmidt. The *Frankfurter Rundschau*, a left-of-center daily usually sympathetic to him, called his remarks "embarrassing" because they recalled the chancellor's tendency to lecture others as a schoolmaster — but that was when Bonn's economy was worth emulating.

The conservative daily *Die Welt* accused Mr. Schmidt of "boorish defamation."

British Plan New Market In Futures

Restored

LONDON — A financial futures market in currencies and on interest rates on government securities has received the go-ahead from the Bank of England and could be operating here by the end of the year, the chairman of a planning group said Monday.

John Barakshire, chairman of the London Financial Futures Working Party, said that the Bank of England had written in a letter to him that it will not obstruct a market if further work shows it can be achieved.

The working party had been awaiting approval from the bank because of the monetary authorities' fear that a market including interest rates on securities could undermine their ability to dictate terms on which the Treasury sells its debt.

The working party last year produced a paper that outlined areas for such a futures market: currency contracts in sterling, the West German mark, Japanese yen and Swiss franc, and three interest-rate contracts, including 20-year British government bonds.

Oil futures will start trading here next month and a gold futures contract on the London Metal Exchange is likely soon, so London could have three new futures markets by the end of 1981.

Brokers say that the Bank of England, once it has given permission to trade, will supervise the financial futures market as it does other London markets.

General Foods Builds Europe Operation

By John Tagliabue

New York Times Service
GEN. West Germany — General Foods bought Kaf, the West German coffee company, two years ago, both were struggling in West Germany. Hag, once Europe's biggest of decaffeinated coffee, is now the grip of its major General Foods' small unit had just waded three years of losses; sales of instant coffee stagnated cost of promoting little-American-style products.

Both companies — which

were operated separately — had valuable assets: modern plants, a broad network of distributors and a product line with competitive quality and price.

Thus, few were surprised when General Foods announced in January that it would merge the two companies. By forging what probably will be General Foods' biggest European unit, the company hopes to achieve the scale it needs to crack West Germany's highly competitive food market.

That was only the first step in General Foods' recent effort to strengthen its European activities. The second step came shortly thereafter, when the company began processing foods with a Yugoslav partner after setting up a joint venture it hopes will be followed soon by similar agreements with Hungary and Czechoslovakia.

General Foods' investments are indicative of the growing importance it accords European markets, where sales have grown from \$496 million in 1976 to \$854 million last year.

'A Big Market'
"Germany is a big market, probably the most stable in Europe," said James B. Stone, a General Foods vice president and head of the new West German unit, Hag General Foods. "We had insufficient scale for this market. It was not representative of what we wanted."

General Foods had gained its chance to expand in Germany in 1979, when the Roselius family offered to sell its 97 percent share in

Hag for \$110 million. The company was founded in 1907 by Ludwig Roselius, son of a wealthy Bremen coffee merchant, who had succeeded in ridding coffee beans of caffeine by treating them with steam saturation and chemical solvents.

Bremen analysts say the company's success was the result of innovation and aggressive marketing. Even before World War I, Hag was exporting to a dozen countries and had built plants abroad. In 1929 Hag introduced a chocolate drink that is considered the first instant food.

General Foods' contacts with Hag started in the 1920s, when the Postum Co., forerunner of General Foods, bought licenses to decaffeinate coffee in the United States. Hag later sold Sanka to General Foods. Hag had founded Sanka (a name Mr. Roselius, a lover of acronyms, derived from the French sans caffeine, without caffeine) after World War I.

Thus, when Hag needed help in the 1970s, it turned to General Foods.

Analysts give the merger a better than even chance of eventual success, but are more favorable about the company's emphasis on Eastern Europe. As one bank analyst in Frankfurt noted, Eastern Europe is "an interesting market." He said: "There is little price competitiveness, because it's all regulated. And you generally have guaranteed sales quotas. It's an extremely predictable market. The risks are few."

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated.

Britain

Year	Fisons	1979
Revenue	452.69	433.02
Profits	14.8*	12.12
Per Share	—	25.66
*—Loss figure.		

France

Year	Voles	1979
Revenue	2,224	N.A.
Profits	82.8	N.A.

United States

Year	J.C. Penney	1979
Revenue	2,970	2,560
Profits	70.00	179.00
Per Share	2.58	2.00
Year	1978	1979
Revenue	11,250	14,660
Profits	268.00	261.00
Per Share	3.83	3.78

French Quarterly Deficit

Restored
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NYSE Nationwide Trading Closing Prices March 2

Tables include the nationwide prices up to the closing on Wall Street.

Table of NYSE Nationwide Trading Closing Prices for March 2, 1981, including various stock indices and individual stock prices.

Toronto Stocks

Closing Prices, February 27, 1981

Table of Toronto Stock Closing Prices for February 27, 1981, listing various Canadian stocks and their prices.

Table of Montreal and Canadian Indexes for March 2, 1981, including the Montreal Stock Exchange Index and the TSX 300 Index.

Table of Exchange Rates for various international locations including Austria, Belgium, France, Germany, Luxembourg, and Switzerland.

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Table of Floating Rate Notes Closing Prices for March 2, 1981, including various bank and non-bank notes.

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Table of Gold Options prices in \$/oz for various maturities and quantities.

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Text advertisement for Valent White Weld S.A., located in the Mont-Blane area.

Advertisement for Casio Computer Co., Ltd. (CDB), featuring the Board of Directors and company information.

Handwritten Arabic text at the bottom of the page: "هكذا من الأهل"

AMEX Nationwide Trading Closing Prices March 2

Tables include the nationwide prices up to the closing on Wall Street.

Main table of AMEX stock prices with columns for stock name, price, and change. Includes a 'Market Summary' section at the bottom with NYSE Most Actives and Dow Jones Averages.

U.S. COMMODITY PRICES

Table of commodity prices including Chicago Futures, U.S. Treasury Bonds, New York Futures, London Metals Market, International Monetary Market, Paris Commodities, and Market Summary.

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